

Contractor Purchasing System Review Workshop Overview

January 11, 2000



***Deputy Director, Supplier Risk
Management
HQ DCMC***



Results of Changes

Status as of September 1999

**Barriers Removed-
FAR/One Book
Changed**

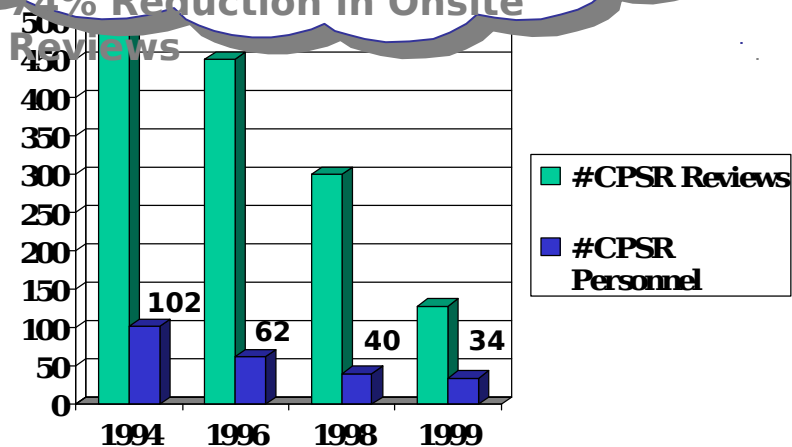
**Business
Improvements-
Implement Risk
Assessment Mgmt
Compliance**

**Streamlined Processes
- CPSR Guidebook
Updated**

**50% Reduction in Review Man
hours**

67% Personnel Reduction

**74% Reduction in Onsite
Reviews**



Insight Vice Oversight

**Taking Maximum Advantage of FAR
Changes**

- ▢ All Reviews Tailored Based on Risk
- ▢ Maximum Use of Available Data
- ▢ Best Value Practices Encouraged



Previous Regulatory Changes

- **Reduced subcontract consent requirement** (FAR Case 95-011)
- **CPSR threshold raised from \$10 to \$25 Million** (FAC 90-37)
- **Three year requirement for CPSR changed to a risk assessment to determine if CPSR is needed** (FAC 90-42)
- **Eliminated CPSR review Part 12 (Commercial) buys** (FAC 90-42)
- **Revised CPSR instructions to risk based** (DAC 91-11)

DOD
CAS PAT

DCMC
CPSR PAT

DCMC
CPSR PAT

OFPP

DOD CPSR PAT



One Book Consolidation

- **Consolidation of CPSR and Consent to Subcontracts Chapters**
 - **Make DCMC policy (One Book) more consistent**
 - **Subjects are next to each other in FAR**
 - **Related subjects in same chapter in the One Book**
- **Directive Language out of CPSR Guidebook**
- **New Chapter consistent with Supplier Risk Management Approach**
- **Risk-Matrix Developed**
- **Training Matrix TBD**



CPSR Workshop Handouts

- **CPSR Ltr (1)1.doc**
- **CPSR_discussion_outline.doc**
- **CPSR_Supplier_EC_Pilot_Rev2.ppt**
- **CPSR_Workshop_Overview.ppt**
- **EC_chapter1.htm**
- **FW Part 12 Rule.rtf**
- **Newchapter-5.doc**
- **SRMFORM.doc**
- **HUNTCPSR1.doc**



Discussion Paper Topics

- **Electronic Commerce**
 - **Encourage Contractor Use**
 - **Electronic Commerce Trip Report**
- **Credit Cards**
 - **Applicability**
 - **Huntsville Trip Report**
 - **Regulation Review**



Discussion Paper Topics

- **Commerciality**
 - **Compendium of view-points**
 - **DCMC-Chicago Interpretation**
- **Commercial Determinations for Subcontractors**
 - **Proposed AR Rule**



Discussion Paper Topics

- **Price Analysis**
 - **Document Sufficiency**
 - **Flow of Requirements**
- **Corporate-wide CPSRs**
 - **Raytheon Example**
 - **Assign Lead Analysts**



What to Expect This Week

- **Hard work and long hours**
 - **Software / Hardware**
 - **Policy-ware**
- **Peer Interaction**
- **A forum to learn and exchange ideas**
- **A chance to straighten out the HQ & District Gu**
- **Fun**